

HONOLULU ADVERTISER (HI)
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Rewald mixed facts and fantastic, Wong says

By Walter Wright
Advertiser Staff Writer

Sunlin Wong testified yesterday his contacts with the murky world of espionage ranged from real CIA personnel to a plan for a James Bond-type theme restaurant in Waikiki complete with secret passages and alibi telephones.

Wong, former president of Bishop Baldwin Rewald Dillingham & Wong, was testifying in the federal court fraud trial of his former partner, Ronald Rewald.

Rewald says he took investors' money but never intended fraud. He contends he was financing his "cover" as a wealthy businessman for the CIA, which he says created his firm and promised to reimburse expenses.

But for a man who worked undercover, Rewald had an oddly open fascination with the world of spies, Wong's testimony indicated.

Wong said Rewald wanted to open a restaurant in Waikiki to be named the "Safe House."

It would be modeled after a restaurant in his home town of Milwaukee operated by Rewald's acquaintance, David Baldwin, Wong said.

The Milwaukee restaurant, Wong said, had a "James Bond motif. The front of the building was nondescript, looking like an import-export firm. Patrons entering the front door would arrive in a small room, where there was a telephone.

When they dialed the proper number, Wong said, they would be spotted by a television camera from inside. If they were cleared, a bookshelf in the wall would slide away, revealing a tunnel leading to the bar. Inside, there were secret passageways and alibi telephones — a telephone equipped with eight or nine different sound-effect tapes. If a patron wanted to give the impression he was actually at a bowling alley, he could punch a button and get bowling alley background noise when making a telephone call, Wong said.

"And Rewald liked this very very much?" Assistant U.S. Attorney John Peyton asked. "Yes," Wong said.

But there were other, less frivolous connections with people linked to the CIA, Wong testified.

There was "John" Richardson, alias Richard Cavanaugh, whose secretary Sue Wilson said also used the name James T. Bishop — a fictitious director of the firm. Richardson has been identified by Rewald's lawyers as chief of the CIA's West Coast foreign intelligence resources.

Wong testified he met Richardson/Cavanaugh on two occasions, but never discussed CIA or Bishop Baldwin business with him.

There was also Jack Kindachi, a former Honolulu station chief for the CIA, who was a Bishop Baldwin consultant and author of the firm's quarterly reports on economic conditions. Wong said Kindachi didn't have space in company offices, but attended three or four meetings of an advisory "executive committee" set up by Rewald, and also attended a few company-related social functions. Kindachi never mentioned the CIA, Wong said.

There was "John Doe 5," the American consulate employee in Hong Kong whom Rewald said worked for the CIA. Wong said he met John Doe 5 briefly in a hotel room with Rewald, and that Rewald was offering to "do additional work for him" and John Doe 5 indicated he "accepted the offer" and "would accept the need arose."

Wong said Rewald went back to the United States shortly thereafter, while Wong stayed on for a few days, meeting some people, basically as a tourist.

Wong had asked Rewald before the Hong Kong trip if there were any danger, and was told there was not, he said.

There was "John Doe 7," the man introduced by Rewald as a CIA employee, who asked Wong who in Bishop Baldwin had a CIA security clearance, and then asked for Wong's help in locating an office for himself in Honolulu.

There was "John Doe 14," apparently a reference to Charles Conner of Sweden, a Bishop Baldwin consultant and old friend of Kindachi from the days Kindachi worked undercover for the CIA in Sweden. Conner, like other

consultants, sent Bishop Baldwin investment proposals that were never accepted, Wong said.

There was Rewald's claim that the CIA was using the Bishop Baldwin name in San Francisco.

There was Rewald's request, carried out by Wong and Calvin Gunderson, for a list of real estate owned by an individual. The report, which cost \$187, was delivered by Wong to Jack Rardin, Kindachi's successor as CIA station chief in Honolulu.

It was true, Wong said, that Bishop Baldwin consultant Jerry Signori, an accountant, once told him there were a "lot of classified things" he couldn't discuss in the company. But Wong said he didn't know who had classified them, and didn't assume Signori meant the CIA.

Both sides completed their examination of Wong yesterday, allowing him to return to the federal correctional facility at Lompoc, where he is serving a two-year sentence after pleading guilty to mail and securities fraud in the case.

HONOLULU STAR-BULLETIN (HI)
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Wong Met CIA Agents Introduced by Rewald

By Charles H. Himminger
Star-Bulletin Staff Writer

Sunlin "Sunny" Wong, former president of Ronald Rewald's defunct investment firm, today acknowledged he had met a number of people he was told were CIA agents or related to the agency.

But he said that information came from Rewald.

Wong's testimony came as Rewald's attorney continued to question Wong about the scope of CIA involvement in Rewald's company.

Deputy Federal Public Defender Michael Levine asked Wong about the cost of setting up and running Bishop, Baldwin, Rewald, Dillingham & Wong offices in Hong Kong, New Zealand, Singapore and Taiwan. Wong said he set up the offices at Rewald's direction.

REWALD is expected to testify that the CIA wanted those offices set up for agency contacts. Wong said Bishop, Baldwin consultants who ran those offices submitted a number of possible investments for BBRD&W that Rewald always rejected.

The government contends those offices were set up to enhance Rewald's image as an international businessman so that he could continue to attract people to put money into the company.

According to the government, two investments actually were made, however, and investors' money was spent on company overhead and Rewald's extravagant lifestyle.

Under Levine's questioning yesterday, Wong did say that he went on one trip to the Far East that he thought was paid for by the CIA. Levine hopes to prove to the jury through his cross-examination of Wong that the CIA directed and supervised the expenditure of some company funds.

That could clear Ronald Rewald of charges that he deliberately defrauded investors of millions of dollars.

BUT LEVINE is limited by a number of secret pretrial rulings by U.S. Judge Harold Fong on how far he can delve into CIA matters. Fong said he will only allow testimony concerning CIA management and supervision of Bishop, Baldwin funds.

Fong sharply warned Levine several times yesterday to stay within the boundaries set in the pretrial proceedings. Those boundaries were established to protect matters of national security while allowing relevant CIA evidence to come out in the trial.

The government contends the CIA's only involvement in the company was to pay telephone and telex bills for a "front company" Rewald agreed to man.

Under the arrangement, Rewald, Wong, or a Bishop, Baldwin secretary would handle calls coming in on a special phone line to Bald Enterprises. That fake company provided a cover for CIA agents operating overseas.

The government contends Rewald exploited that involvement to bilk investors out of millions of dollars.

Wong said on direct examination that the only calls he knew that came in on the CIA phones were "wrong numbers."

LEVINE YESTERDAY was able to introduce evidence during Wong's questioning that the former president met several people he believed were CIA agents and even traveled overseas on what he thought was a CIA mission.

In 1980, Rewald and Wong wrote a letter to then-CIA station chief Jack Rardin about a trip to the Far East in which

they met with a CIA agent. That letter was introduced into evidence but the names of the country and CIA agent were blacked out.

While questioning Wong today, Assistant U.S. Attorney John Peyton inadvertently disclosed that the mysterious country Wong visited was Hong Kong.

Wong said this morning that the trip had nothing to do with Bishop, Baldwin business.

He also said the Hong Kong trip was paid for with a Bishop, Baldwin check that Rewald said would be reimbursed by the CIA. According to financial records, however, the CIA did not pay for any BBRD&W travel expenses.

WONG AND Rewald said in the letter that the agent was "excited" about the prospects of using Bishop, Baldwin for various cover operations.

When asked by Levine who he thought paid for the trip, Wong replied, "As far as I know, the CIA."

Wong, however, said yesterday he did not know if any Bishop, Baldwin funds were spent on the trip.

Levine also questioned Wong about his attempt to find office space in Honolulu for another man introduced to him by Rewald as a CIA agent.

Peyton argued that testimony about that incident was outside the boundaries set by the judge. But Levine said the matter concerned Bishop, Baldwin money because Wong was on salary with the company when he tried to find the man an office.

Referring to the man only as "John Doe 7," according to the judge's order, Wong said he took the man to several locations and that had a lot of foot traffic.

HE WAS unsuccessful in finding an office the man liked, so let one of his real estate associates take over the task.

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MILWAUKEE JOURNAL (WI)
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Jury selection goes on for Rewald in Hawaii

Special to The Journal

Honolulu, Hawaii — Jury selection was to continue Tuesday in the federal fraud trial of former Milwaukee sporting goods dealer Ronald R. Rewald, who is accused of bilking some 400 investors out of millions of dollars in a scheme that he says the CIA was involved in.

Rewald, 43, sat quietly during the jury selection that began Monday. Rewald is charged in a 98-count indictment with convincing investors from Hawaii and Wisconsin to pump \$22 million into his bogus investment company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Rewald, who attended South Division High School in Milwaukee and the Milwaukee Institute of Technology, now MATC, claims the CIA set up and ran his company.

The government may call up to 177 witnesses, many of them people who invested money in Bishop, Baldwin, Rewald, Dillingham & Wong. Rewald's attorneys expect to call about 70 witnesses.

Federal prosecutors claim that Rewald exploited minor ties to the CIA as part of a scheme to attract investments.

When the company collapsed in July 1983, after Rewald attempted suicide, investigators discovered that millions of dollars had been spent to finance Rewald's extravagant lifestyle.

Rewald claims that his lifestyle was part of his CIA cover that enabled him to meet powerful international figures.

In an affidavit sealed by the courts under the Classified Information and Procedures Act, Rewald claims his roots with the CIA go back to his college days. According to the affidavit, Rewald was recruited by the CIA to try to infiltrate radical student groups at the University of Wisconsin — Madison.

He later attempted to run a chain of sporting goods stores. In 1976, however, he was charged with illegally selling a franchise and eventually pleaded no contest to petty theft. He filed for bankruptcy in 1976 and, a year later, moved to Hawaii.



Ronald R. Rewald

Prosecutors claim Rewald then solicited investments from relatives and friends in Wisconsin to keep two sporting goods stores in Hawaii going. That eventually led to the formation of Bishop, Baldwin, Rewald, Dillingham & Wong and the solicitation of more investments.

CIA officials have admitted the agency used Rewald's company as a mail drop but deny it conducted agency work out of it.

It will be up to the jury to decide whether Rewald purposely defrauded investors or whether he was merely working for the CIA.